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CITY OF SHORELINE

**SHORELINE CITY COUNCIL
SUMMARY MINUTES OF REGULAR MEETING**

Monday, November 22, 2004
7:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

PRESENT: Mayor Hansen, Deputy Mayor Jepsen, Councilmembers Chang, Fimia, Grace, Gustafson, and Ransom

ABSENT: none

1. CALL TO ORDER

The meeting was called to order at 7:30 p.m. by Mayor Hansen, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Hansen led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present.

3. CITY MANAGER'S REPORT

Steve Burkett, City Manager, reported that the Comprehensive Plan 2004 Update and the master plans for Transportation, Surface Water and Parks, Recreation and Open Space were distributed this evening and will be discussed on December 6.

4. REPORTS OF BOARDS AND COMMISSIONS: none

Councilmember Gustafson reported that the WRIA 8 draft report has been published with a Chinook Salmon Conservation Plan. He distributed an executive summary to Councilmembers and provided the locations and schedule for public meetings to be held in December. He urged the public to provide comments on the draft.

Councilmembers Chang and Fimia reported on their attendance at a HUD seminar regarding various HUD programs available in Shoreline. Councilmember Fimia noted that the meeting was in response to a request from Councilmember Chang.

5. PUBLIC COMMENT

(a) Mark Mitchell, Shoreline, commented that local casinos are paying the City at least three times what they make in annual income. He noted that many casinos have gone broke, and that several cities have lower gambling taxes than Shoreline. He

urged the City to approve a 2% reduction in gambling taxes for a year so that local casinos can avoid bankruptcy. He noted that his casino, Club Hollywood, is an \$11 million investment in Shoreline.

(b) William Hubbell, Shoreline, also urged the Council to reduce the gambling tax by 2%, noting that local casinos make many contributions of time, labor, and money to the community. He said the partnership between the City and casinos "needs an overhaul," and the City should consider all options for keeping local casinos viable. He said local casinos help build the tax base, provide jobs, and support City needs.

(c) Tim Iszley, Seattle, reported that the Golden Nugget casino had a net profit of only \$56,000 and paid the City about three to four times that amount in taxes. He said the Hideaway casino has lost \$193,000 and is for sale. He noted that Federal Way, which once had four casinos, now has only one, and several other cities have lowered their gambling tax rates to help local casinos.

(d) Larry Wheaton, Shoreline, said Goldie's casino employs 160 people and paid the City \$800,000, despite its net profit of less than \$200,000. He felt the Aurora Corridor project would have a detrimental effect on business. He urged the Council to consider implementing a 2% gambling tax reduction for 1-2 years.

(e) Henk Kunnen, Shoreline, expressed support for a four-lane configuration on 15th Avenue NE. He also commented that elderly people have difficulty turning left without a left-turn lane. He said nobody waits for the pedestrian light at the current crosswalk location because it takes too long between cycles. He suggested removal of the pedestrian crosswalk in favor of a traffic light on the corner fronting the Anderson House, since that was the original location of the crosswalk many years ago.

(f) Harley O'Neil, Shoreline, commented on the urgency of completing the North City project, since many people are relying on various infrastructure improvements. He also expressed support for a four-lane configuration from NE 145th Street. He then urged the Council to consider a 2% reduction in the gambling tax because Club Hollywood has made such a large investment in the community. He noted that it's a "win-win" situation for the City if the casino is successful.

(g) Barbara Lacy, Shoreline, noted that the next speaker, Barbara Guthrie, has voluntarily taken samples of the water in Echo Lake for the past two years in connection with the King County Lake Stewardship (KCLS) Program. She thanked Ms. Guthrie on behalf of the Echo Lake Neighborhood Association (ELNA) for her commitment to improving water quality.

(h) Barbara Guthrie, Shoreline, read a letter from the ELNA board to the City requesting the City's financial support of the Lake Stewardship Program. She provided background on the KCLS program and explained that the county would begin offering the program as a contract service. She said she would be willing to continue volunteering

her services in the future. She pointed out that Echo Lake will be enjoyed by a greater number of people as the Interurban Trail becomes increasingly popular. She urged the City to underwrite this program at a cost of approximately \$6,800 per year (\$18,900 without volunteer labor) to provide the City with a valuable history of the health and vitality of Echo Lake.

(i) Janet Way, Shoreline, explained that a new group called the Sno-King Environmental Council (formally the Shoreline Environmental Council) has been organized to address environmental issues on a regional level. She said the group would address many issues, including the WRIA 8 report, Shoreline's Critical Areas ordinance, Comprehensive Plan, master plans, energy efficiency/sustainability, natural drainage, and protection of habitat, clean water, and open space. She read a portion of a resolution adopted by the 32nd District Democrats, which advocates science-based environmental analysis and stewardship. She expressed concern that the City has not included Thornton Creek as a wildlife habitat/conservation area in its planning process.

(j) Chuck Leone, Shoreline, opposed the North City project on the grounds that "its underlying agenda is to raise property taxes and drive the middle class and those on fixed incomes out of the area." He said there is no real economic recovery happening, and people favor "no-frills" improvements in infrastructure only when necessary. He felt the City should build on what is already has, help businesses succeed, provide services for the aging and disabled populations, and help the next generation become productive members of society. He felt the City should try to revive the cultural optimism of the Kennedy years, emphasizing the ideals of progress and modernization. He warned of the adverse financial consequences that would follow if the City does not change its course.

Mr. Burkett said staff is evaluating the Echo Lake water testing issue and would bring back a recommendation to Council. He noted that this issue is exactly the kind of urban subsidy the City has been objecting to for some time.

6. APPROVAL OF THE AGENDA

Councilmember Gustafson moved approval of the agenda. Councilmember Grace seconded the motion, which carried unanimously.

7. CONSENT CALENDAR

Upon motion by Councilmember Gustafson, seconded by Councilmember Grace and carried 6-1, with Deputy Mayor Jepsen dissenting, the following consent calendar items were approved:

**Minutes of Workshop Meeting of October 18, 2004
 Minutes of Regular Meeting of October 25, 2004
 Minutes of Special Meeting of November 1, 2004
 Minutes of Special Meeting of November 3, 2004
 Minutes of Dinner Meeting of November 8, 2004**

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Minutes of Regular Meeting of November 8, 2004

Approval of expenses and payroll for the period ending November 5, 2004 in the amount of \$1,366,996.64

Motion to authorize the City Manager to execute an amendment to the Interlocal Agreement for jail services with Yakima County

8. ACTION ITEMS: OTHER ORDINANCES, RESOLUTIONS AND MOTIONS

- (a) Ordinance No. 365 levying the general taxes for the City of Shoreline in King County for the fiscal year commencing January 1, 2005, on all property both real and personal, in said City which is subject to taxation for the purpose of paying sufficient revenue to conduct City business for the ensuing year as required by law

Debbie Tarry, Finance Director, briefly reviewed the background on establishing the property tax rate. The proposal is to increase the property tax rate by 1%.

Deputy Mayor Jepsen moved to pass Ordinance No. 365. Councilmember Grace seconded the motion.

Responding to Councilmember Ransom, Ms. Tarry affirmed that an increase of more than 1% in the property tax rate would require a vote of the people. Responding to Councilmember Gustafson, Ms. Tarry explained that the current inflation rate is higher than 1%.

Councilmember Ransom asked Ms. Tarry to explain the relationship between the property tax rate, assessed valuation, and the portion of the tax the City collects in order to understand why even though the rate is going down, their own assessed valuation may go up on their individual homes.

Ms. Tarry explained that the total property tax a Shoreline property owner pays goes to many jurisdictions; the City of Shoreline receives approximately 10% of the taxes collected. The tax is based on assessed valuation and the rate set by the City. Since assessed valuations increase at a rate faster than 1%, the rate must decrease for the overall levy to remain at 1%. It is estimated the average homeowner in Shoreline will pay \$4-5 more to the City of Shoreline in 2005 compared with 2004.

Councilmember Ransom wondered if a 1% increase would apply to school districts, which receive 60-66% of the property tax collected. Ms. Tarry said the school district rate is established by local elections. Mayor Hansen clarified that the school district

establishes a levy amount, which is then divided by the assessed valuation to determine the rate.

Deputy Mayor Jepsen pointed out that the owner of a median-valued home in Shoreline paid approximately \$350 to the City last year (roughly 10% of the total property tax bill). A 5% projected increase in assessed valuation for 2005 means the same owner will likely pay about \$353 in 2005.

Councilmember Gustafson said despite the fact that a 1% increase is not keeping up with inflation, he would not support the motion because he feels property taxes should only be increased by a vote of the people.

A vote was taken on the motion, which carried 6-1, with Councilmember Gustafson dissenting and Ordinance No. 365 setting the property tax levy for 2005 was passed.

- (b) Ordinance No. 367 establishing a utility tax on the City Stormwater Utility, and amending Shoreline Municipal Code 3.32.020

Ms. Tarry explained that Ordinance No. 367 expands the definition of sewage operation to include operation of a surface water utility and establishes a 6% surface water utility tax. She explained that 41 other cities in Washington include a tax on water utilities. She estimated that a 6% tax rate would generate approximately \$150,000 in annual revenue and impact the average single-family resident \$6 per year.

Mayor Hansen called for public comment.

(a) Janet Way, Shoreline, said most people don't realize they pay for surface water management, and it is the City's responsibility to help neighborhoods solve surface water problems. She said all surface water eventually ends up in creeks and waterways, so the City should spend surface water funds wisely and in ways that protect the environment. She urged the City to pursue surface water improvements such as natural drainage, sustainable drainage, and SEA Streets. She also urged citizens to study the draft surface water master plan coming before the Council in the next few months.

Councilmember Ransom moved to pass Ordinance No. 367. Councilmember Grace seconded the motion.

Councilmember Fimia opposed Ordinance No. 367, expressing her fundamental policy concern about levying taxes on utility fees. She felt the City could get an additional \$150,000 from other sources without imposing this kind of "back door tax." She said the tax is so incremental that people are not really aware of it, but it is significant. She felt the tax could have a significant impact on commercial businesses and larger residential areas. She wondered if there were any limitations on how much the City could charge, and why the preference is for a utility tax rather than a rate increase.

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Mr. Burkett said the Council is limited to what is approved through the fee ordinance. He noted that Council could determine any future fees/rates as part of the master plan discussions starting in December. He explained that revenue generated from the utility tax is available for general use, but the utility fee is restricted to the surface water program. He said this is one source of revenue available to cities to provide general services.

Mayor Hansen stated that although he does not generally support a "tax on taxes," he is a pragmatist who realizes the City requires a certain amount of taxes with which to operate the City. He said he would support the measure.

Councilmember Ransom said this tax is part of the overall effort to make surface water management a self-supporting enterprise fund, as are the other utilities. He supported the motion because the majority of cities raise revenue in this way and surface water issues are a real problem in Shoreline.

Councilmember Gustafson concurred with Mayor Hansen and Councilmember Ransom, noting that the tax puts Shoreline in line with the majority of Washington cities.

Councilmember Fimia clarified that the utility tax would be applied to the General Fund, not to specific surface water projects.

A vote was taken on the motion, which carried 5-2, with Councilmembers Chang and Fimia dissenting; and Ordinance No. 367 imposing a surface water utility tax was passed.

- (c) Ordinance No. 366 adopting the annual budget of the City of Shoreline for the year 2005.

Ms. Tarry noted that this ordinance reflects the 2005 budget as proposed by staff, which includes the 2005 salary schedule and fee schedule.

Mayor Hansen called for public comment.

(a) Cindy Ryu, Shoreline, expressed concern about the expenditure of reserve funds in the 2005 budget and urged the Council to consider maintaining the current reserve balance. She noted that the property tax and surface water tax will only increase 2005 revenues by \$263,449, which does not equal even one-tenth of the reserves being reduced. She urged the Council to proceed wisely and consider what is really important for the citizens of Shoreline.

Councilmember Grace moved to pass Ordinance No. 366. Councilmember Gustafson seconded the motion.

Councilmember Ransom moved that the Human Services budget be increased by \$33,039 to restore the cuts made to social service programs and to fund Community

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Health, Volunteer Transportation and Child Care resources as recommended by the Human Services Committee. Councilmember Chang seconded the motion.

Councilmember Grace moved a substitute motion to change the amount from \$33,039 to \$62,113. Councilmember Ransom seconded the motion.

Councilmember Grace stated that he wished to fully fund the total amount requested by all the agencies. He said \$62,113 is the difference between what the Ad Hoc Human Services Committee submitted and what they approved, which represents about a \$30,000 increase for fiscal year 2005.

Councilmember Fimia wished to clarify whether this amount would fund Community Health, Volunteer Transportation and Child Care Resources.

Rob Beem, Human Services Manager, explained that the \$62,113 represents the amount necessary to fully fund each of the requests for agencies that were recommended for funding by the committee, as well as the inclusion of three new programs. The \$33,039 figure is the committee's recommendation that restores funding for all agencies recommended for funding at their current year level.

Responding to Councilmember Fimia, Councilmember Grace clarified that Community Health, Volunteer Transportation, and Child Care Services are not included in this amount because the committee did not recommend them for funding.

Councilmember Fimia maintained that the committee's guidance was to restore the 10% reductions and fund Community Health and Volunteer Transportation if funds became available. She noted that staff recommended funding for Child Care Services.

Mayor Hansen stated that he would support restoring funding in 2005 for those agencies that were recommended for a 10% reduction.

Councilmember Gustafson expressed concern about using reserves to fund these programs. He supported no more than the amount it would take to restore funding to agencies that received a reduction. He felt the committee could make additional recommendations at a later time if it determines there are legitimate human service needs.

Deputy Mayor Jepsen commented that many federal, state, and county human service programs have suffered significant budget cuts, and these would likely "trickle down" to the City. He did not feel the City could afford to restore funding to all programs. He said he could support \$33,039 but was undecided about \$62,113.

Councilmember Grace clarified that anything above \$33,039 would be allocated based on the committee's further recommendations.

Councilmember Ransom supported Councilmember Grace's motion, although he had originally wished to allocate an additional \$100,000. He reminded the Council that the

per capita support for human services in Shoreline is only \$3.92, which is very low compared to other cities. He said the \$62,113 increase would only bring Shoreline up to \$5 per capita, which is still much lower than most cities.

Councilmember Fimia reiterated that the ad hoc committee did not recommend funding at the levels Councilmember Grace suggested, but it did recommend Community Health and Volunteer Transportation if additional funding could be found. She said with the addition of Child Care Services, these three programs would only require an additional \$15,000. She felt the funding could be made available through modest reductions to non-essential budget items, such as dues and subscriptions, registration and training, and food and travel.

Councilmember Gustafson reiterated his view that the Council should wait and see what its final budget figures are before allocating more funding. He felt it was premature to provide funding without really knowing the actual need.

Mayor Hansen agreed with Councilmember Grace that the ad hoc committee should decide the distribution of whatever amount is approved.

Councilmember Chang commented on the ongoing human service needs in Shoreline and on the importance of "investing in humanity." He emphasized that Shoreline spends much less on human services than other jurisdictions. He said it is time to share with those in need. He supported Councilmember Fimia's proposal to allocate an additional \$15,000 to the \$62,113, which would still only bring Shoreline up to \$6 per capita.

Responding to Councilmember Grace, Mr. Beem stated that he felt the ad hoc committee could be reconvened to consider additional allocations. Councilmember Grace felt the committee should decide how any additional funding is distributed.

After further discussion, **Councilmember Fimia moved to amend the substitute motion to add an additional \$15,000 (raising the total allocation to \$77,113) with direction that the Ad Hoc Human Services Committee consider funding for Community Health, Volunteer Transportation and Child Care Resources. Councilmember Ransom seconded the motion. A vote was taken on the amendment, which failed 3-4, with Councilmembers Chang, Fimia and Ransom voting in the affirmative.**

A vote was taken on the substitute motion to allocate an additional \$62,113 to the Human Services budget, which carried 5-2, with Mayor Hansen and Councilmember Gustafson dissenting.

Councilmember Fimia moved that Neighborhood Block Watch signs and any barricades needed by neighborhoods for Night Out Against Crime activities be funded in the Community Relations budget. Councilmember Ransom seconded the motion.

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Mayor Hansen commented that this is a very minor expenditure that could be handled at the staff level. Joyce Nichols, Communications and Intergovernmental Affairs Director, explained that neighborhoods are not charged for these items but some neighborhoods have opted to rent equipment different from what the City provides.

Councilmember Fimia suggested that this motion be considered as a proviso rather than an amendment to the budget. Mr. Burkett assured her that the staff would follow Council direction without a motion. Mayor Hansen confirmed that this is Council direction. **Councilmembers Fimia and Ransom withdrew the motion and second.**

Councilmember Ransom moved that the Capital portion of the budget be adopted with the proviso that the City consider the gambling tax rate at the cardrooms (separate from pulltabs or bingo)--with the Council, along with the City Manager, reviewing the financial status of the establishments in order to determine if a temporary one year reduction in the gambling tax rate of one to two percent is necessary. Councilmember Fimia seconded the motion.

Councilmember Ransom explained why he felt a temporary one-year reduction of one to two percent in the gambling tax might be appropriate, given the financial condition of the local gambling establishments. He also felt consideration of this should be concluded by the end of the year.

Mr. Burkett said he had never served in a city that used budget provisos. He felt it would be better to give staff direction by way of a motion rather than as part of the budget ordinance.

Councilmember Gustafson moved a substitute motion to have staff evaluate the costs and benefits of reducing the gambling tax and bring back a plan by the end of the year that would involve a process to evaluate these costs and benefits, as well as a proposed schedule. Councilmember Grace seconded the motion.

Deputy Mayor Jepsen suggested a friendly amendment that the motion not speak just to reducing the gambling tax but also to maintaining the status quo or increasing the tax based on the outcome of the study.

Councilmember Chang felt the motion should include a specific question such as a 1-2% tax reduction in order to determine the impact on gambling businesses.

Councilmember Grace commented that the gambling tax is a very complex issue with many aspects. He said a professional auditor should perform a thorough analysis of all business operations, not just the taxes derived from gambling revenue, because businesses adopt different business models. He also felt the gambling tax should be viewed as a long-term policy issue rather than as a one-time adjustment. He said the gambling tax is such an important revenue stream for the City that it deserves a detailed evaluation. He felt this could be accomplished by January or February of 2005.

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Councilmember Ransom felt the study should be accomplished by the end of 2004 since businesses are depicting this as an emergency situation. He pointed out that businesses close their books at the end of the year to report to the State Gambling Commission, so it would be timely to complete the evaluation then.

Mr. Burkett noted the complexity of the gambling issue and the cost of conducting an independent audit of six gambling establishments. He said his intent would be to come back at the end of the year with a proposal on how to proceed.

Councilmember Ransom said most cities make concessions to attract large businesses, and Shoreline should do the same for the casinos. He said that a mini-casino has the same kind of revenue as a big-box store such as Costco. He pointed out that the collective gambling establishment in Shoreline employs 900-1,000 people, out of about 14,000 in Shoreline overall, and these are living wage jobs. Collectively, gambling in Shoreline generates \$3.35 million in tax revenue for the City. He said cardroom revenue increased from \$2.5 million to over \$3 million in 2004, so a modest tax reduction means the City would still collect about \$2.5 million in 2005.

Councilmember Gustafson restated his motion to say that the plan would be brought to Council by the first week in January and include options about how to proceed. A vote was taken on the substitute motion, which carried 7 – 0.

Councilmember Fimia moved to direct staff to work with the existing business to do the study and use as much of existing accounting and auditing information as possible in order to reduce duplication. Councilmember Ransom seconded the motion.

After further discussion, a vote was taken on the motion, which carried 4 – 3, with Mayor Hansen, Deputy Mayor Jepsen and Councilmember Gustafson dissenting.

Deputy Mayor Jepsen moved to increase the 2005 videotaping services budget by \$75,000 to allow the City to fund videotaping meetings of the School District Board, Water District Commission, Fire District Commission, Ronald Wastewater Commission, the Planning Commission and Parks, Recreation and Cultural Services Board for playback on Channels 21 and 26. Councilmember Ransom seconded the motion. Deputy Mayor Jepsen felt this funding could be provided as a community service so Shoreline residents have greater access to information about how their tax dollars are spent. He clarified that agencies could participate on a voluntary basis.

Mayor Hansen said that he could support a lesser amount, such as \$25,000, for videotaping the Planning Commission meetings.

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Councilmember Grace favored a Shoreline-wide community dialogue on how to enhance communication resources such as Channel 21 and the webpage. He supported some seed money for this type of approach.

Councilmember Gustafson felt the focus should be on strategies to bring the School District, the Community College, the City, and other entities together to enhance programming. He felt a committee could be formed for this purpose, and suggested \$10-15,000 as seed money for this effort. He felt Channel 21 could be used for much more than televising meetings.

Deputy Mayor Jepsen pointed out that videotaping these meetings would provide instant content for the cable channel. He and Councilmember Ransom opposed convening another committee.

Councilmember Fimia agreed with Councilmembers Gustafson and Grace that a larger, community-wide process is needed. She felt people might not want to see just the meetings of the various jurisdictions.

Mayor Hansen felt the programming on the government access channel should be limited to government-related issues only.

A vote was taken on the motion, which failed 2 – 5, with Deputy Mayor Jepsen and Councilmember Ransom voting in the affirmative.

Councilmember Gustafson moved to provide \$10,000 in seed money to support a community group that would investigate possibilities for increasing programming. Councilmember Grace seconded the motion.

Deputy Mayor Jepsen felt the City should not spend money to investigate whether the government access channel could be enhanced. He reiterated that the taxing district meetings provide the perfect opportunity to add content.

A vote was taken on the motion, which carried 5 – 2, with Mayor Hansen and Deputy Mayor Jepsen dissenting.

Councilmember Fimia moved to increase the yearly expenditure on the Curb, Ramp, Gutter and Sidewalk Program to \$300,000 for 2005 with the school walkway program as the priority for these dollars and allocate \$1,000,000 per year into the Capital Improvement Plan for 2006 – 2010. Councilmember Chang seconded the motion.

MEETING EXTENSION

At 9:55 p.m. Deputy Mayor Jepsen moved to extend the meeting until 11:00 p.m. Councilmember Ransom seconded the motion, which carried unanimously.

Councilmember Gustafson opposed the motion, noting that the Council would be considering capital priorities as part of the master plan review.

Councilmember Chang noted that citizens have been saying that sidewalks are a high priority for years. He supported the motion, adding he would like to see more money allocated for sidewalks if possible.

Councilmember Ransom concurred, noting that although \$300,000 would not build much sidewalk, it shows that the City is making a commitment in this important area. He pointed out that the Bond Advisory Committee identified \$5.5-\$6 million in unmet sidewalk needs to elementary schools in Shoreline. He agreed that additional funding would be needed for sidewalk construction on an annual basis.

Mayor Hansen suggested that the Council investigate the Auburn SOS ("Save Our Streets") plan of using dedicated funds from property tax revenue to fund ongoing construction and maintenance of sidewalks and streets. He felt it would make more sense to find a long-term solution rather than arbitrarily adjusting the budget each year.

Councilmember Fimia said sidewalks are one of the most important capital improvements a city can make. She noted that Shoreline citizens have already identified sidewalks, particularly around schools, as one of the highest priorities. She felt taxes should be used to fund the City's highest priorities rather than for lower priorities such as City Hall. She pointed out that the \$300,000 is really only an increase of \$100,000 to the \$197,000 sidewalks budget for 2005. She said an annual \$1 million allocation could build approximately five or six miles of additional sidewalk per year. The additional dollars for 2005 could come from the \$116,000 in the "In-Lieu Sidewalk Program," the Cromwell master plan (\$97,000) and the existing \$104,000 in the 2005 proposed budget.

It was noted that the motion on the floor approves the 2005 budget and therefore is not an appropriate motion to amend the CIP. It was also pointed out that the "In Lieu" funds must be spent in the neighborhood in which they are collected. Mr. Burkett clarified there is only \$47,000 available in the Cromwell master plan budget, since part of that funding was used for the Spartan Gym upgrades. He said there are several potential sources of revenue in the 2005 CIP if Council wishes to increase funding for sidewalks.

Councilmember Grace felt the master planning process would be the more appropriate process for deciding capital priorities. He remarked on the tremendous amount of work it would take just to prioritize sidewalk needs around schools and arterials.

A vote was taken on the motion, which failed 3 – 4, with Councilmembers Chang, Fimia and Ransom voting in the affirmative.

AGENDA INTERRUPTION

Mayor Hansen announced that Council would consider Item 8(e) while staff worked to incorporate the adopted amendments into a revised budget ordinance.

- (e) Motion to appoint a Planning Commissioner for a term to expire on March 31, 2008

Councilmember Grace reported that the subcommittee comprised of himself, Mayor Hansen and Councilmember Gustafson met on November 18 and interviewed 8 applicants for the Planning Commission vacancy created by Commissioner Doering's resignation. He said the subcommittee unanimously recommends Michael Broili to fill the vacancy.

Upon motion by Councilmember Grace, seconded by Councilmember Ransom and unanimously carried, Michael Broili was appointed to fill an unexpired term on the Planning Commission.

Staff then presented an amended version of Ordinance No. 366 to reflect the changes approved by Council. It was noted that \$72,000 was taken from the fund balance to cover the additional expenditures.

A vote was taken on the motion to approve Ordinance No. 366 as amended, which carried 6-1, with Councilmember Fimia dissenting, and the 2005 budget was approved.

- (d) Direction on the North City Project

Mr. Burkett provided a brief introduction, noting that a majority of the Council seems to approve the alternatives identified as Option 1 and Option 2.

Mayor Hansen called for public comment.

(a) Stan Terry, Shoreline, said the opposition is trying to depict the North City project as wasteful and unnecessary, but nothing could be further from the truth. He said North City is an economic development project that will fulfill the needs of businesses, residents, commuters, and pedestrians. He expressed support for the original three-lane configuration, noting that Option 1 spends the same amount of money for something a bit less. He said the biggest complaint he hears is the difficulty of accessing 15th Avenue NE from residential streets. He commented on the pedestrian fatality that occurred at the intersection of NE 172nd and 15th Avenue NE. He felt the installation of a stoplight at NE 172nd would improve access for motorists and provide increased safety for pedestrians.

(b) Janet Way, Shoreline, commented on the increased traffic congestion on 15th Avenue since the road was narrowed to three lanes. She supported the installation of a traffic light where Tia Townsend was killed, and felt the Council should seriously consider Councilmember Fimia's Option 4. She said she favors pedestrian-oriented development, livable communities, improved drainage, and underground utilities. She said any plan that is adopted should ensure safety and reduce cut-through traffic. She felt the public should have a greater opportunity to provide input on Option 4.

(c) Gregg Paisley, North City property owner, expressed support for the original plan with a three-lane configuration. He said the opposition is led by a tiny minority trying to obstruct progress that would benefit the majority. He said 38 of 40 (95%) property owners signed easement agreements, thereby tacitly agreeing to the original project, and most have made major improvements and business investments, with the exception of the dissenters. He said the prime antagonist is a regional operation that is less reliant on local patrons and foot traffic than many neighborhood businesses. He estimated that 96% of the people support the project, and only 3.9% of Shoreline adults have indicated dissatisfaction with the project. He said the opposition's claims are misleading and inaccurate, and they deliberately misrepresent stakeholder and public opinion. He commented on City staff's hard work over the years and urged the Council to construct the project as designed.

(d) Gary East, North City property owner, thanked all those who participated in last week's forum on the North City Project. He said although there was much debate and disagreement, the project has a tremendous amount of support in its original configuration. He said he could employ the tactics of the opposition to encourage support for the project, but he prefers that the Council consider all the work that was done in arriving at the original design configuration for the project.

(e) Cindy Ryu, Shoreline, pointed out that the North City project is funded entirely by the City, whereas the City's Capital Improvement Program is funded mostly from grants. She said despite the \$2 million contribution from Seattle City Light, ultimately the ratepayers of Shoreline would be paying for the project. She felt that a properly noticed community meeting should be held because the vast majority of stakeholders neither heard about last week's forum nor were they able to attend. She felt the business and property owners would appreciate hearing from those who are underwriting the cost of the project. She urged the Council to spend more time gathering public input and exploring more options, such as Councilmember Fimia's proposal.

(f) Richard Johnsen, Shoreline, generally supported the design features of the North City project, but felt a three-lane configuration would create problems for motorists trying to access 15th Avenue from neighborhood streets. He also expressed concern about the transition from four lanes to three lanes at NE 180th Street and at NE 172nd Street. He said it is difficult for motorists to suddenly merge into a three-lane configuration. He encouraged the Council to approve a plan that creates a more even traffic flow.

(g) Alan Sharrah, Director of Operations for Frank Lumber, said he attended last week's forum and noticed the frustration from people on both sides, despite the overall consensus that improvements are needed. He said nobody is opposed to improving North City, but the three-lane configuration "is choking the business district" by channeling hundreds of cars out of the business district daily. He said the project lacks adequate sidewalks and that neighborhood traffic has increased. He urged the Council to address the concerns of all stakeholders to achieve a "win-win" situation.

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Councilmember Grace moved: 1) to proceed with completing design and bidding of the North City Business District/15th Avenue NE project with design and bid documents and scope to be as depicted in Option 1 as presented to the City Council on November 15, 2004 and to authorize the City Manager to execute change contracts with KPG up to \$75,000 to provide design and bid services for this project; and 2) to direct staff to conduct at least two lane configuration traffic studies on 15th Avenue NE between 145th St. and 180th St. to include 1) hourly traffic counts and 2) counts on traffic diversions into adjacent neighborhoods and report its recommendations to the City Council at the March 14, 2005 regular meeting. Councilmember Gustafson seconded the motion.

Councilmember Grace explained the rationale for his motion. He stated that the project could move forward regardless of whether traffic studies recommend a lane reconfiguration between NE 145th Street and NE 180th Street. He said there is still confusion about average daily traffic counts and traffic diversion into the neighborhoods, so an objective study should be conducted rather than having to rely on anecdotal information. He said his motion would allow the City to start the bid process on Option 1 while simultaneously gathering traffic information so Council can make an informed decision about how to handle the rest of the corridor.

Mr. Burkett clarified that the estimated cost for engineering work in Option 1 is \$135,000. The \$75,000 figure represents the amount needed to create the bid documents. Paul Haines, Public Works Director, explained that the \$135,000 anticipates all the changes that would be made through the life of the project, such as engineering services during construction, design work for traffic signals, and added engineering work for neighborhood mitigation.

The maker of the motion and seconder accepted this clarification. Mr. Burkett also clarified that the study mentioned in the motion would describe how the three lanes are operating now. Councilmember Grace confirmed the need for a broad study of all the aspects of how the street is functioning.

Councilmember Gustafson said studies have shown that three lanes are safer than four lanes, and many jurisdictions are converting to three-lane roads. He preferred the current design but said he could support the motion.

Mr. Haines concurred that a three-lane configuration enables calmer traffic patterns, accommodates safe pedestrian crossing, and can handle the same volumes as a four-lane road.

MEETING EXTENSION

At 10:58 p.m. Deputy Mayor Jepsen moved to extend the meeting to 11:20 p.m. Councilmember Grace seconded the motion, which carried unanimously.

Mr. Burkett wondered if the motion provides sufficient time for staff to obtain accurate data. Mr. Haines felt more time would be better, but a report could be compiled by March. He said it could be conducted without spending additional money, since a traffic study was part of the mitigation funding.

Mayor Hansen noted that a traffic study was completed after the road was reconfigured, so this new study would constitute a second set of data.

Responding to Councilmember Fimia, Councilmember Grace confirmed that the intent of the study is to be revenue-neutral, since money was already budgeted as part of the mitigation plan.

Councilmember Ransom moved a substitute motion to grant contracting authority for Option 2, with the listed costs for that project. Councilmember Fimia seconded the motion. Councilmember Ransom explained that Option 2 is very similar to Option 1, with the exception of the bulb-outs. He spoke against the bulb-out design, noting that they tend to clutter the area and create obstructions.

Mayor Hansen commented favorably on the bulb-outs and planting spaces in the City of Edmonds. He felt bulb-outs were a nice amenity.

A vote was taken on the substitute motion, which failed 1 – 6, with Councilmember Ransom voting in the affirmative.

Councilmember Fimia wished to propose an amendment to replace the second part of Councilmember Grace's motion with the following: 1) restripe 15th Avenue NE from 145th to 172nd to four lanes; 2) include funding of \$125,000 to accomplish restriping; and 3) reduce the speed limit on 15th Avenue NE from 145th to 205th to 30 miles per hour.

There was considerable discussion about whether such a motion would be in order. Mayor Hansen felt the motion was not in order because it addresses different issues.

Sharon Mattioli, City Clerk, suggested that the issues be divided into separate motions and handled individually.

Mayor Hansen said the speed limit question could be handled as a separate motion.

Councilmember Fimia said it impossible to separate the motions because they are interdependent, as is Councilmember Grace's motion.

Councilmember Ransom clarified that Councilmember Fimia's intent is to insert substitute language for the second part of Councilmember Grace's motion, which would normally be handled as an amendment.

Councilmember Grace felt that the restriping issue alone could be substituted for the second part of his motion. The Chair and City Clerk concurred.

After further discussion of the appropriateness of Councilmember Fimia's amendment, **Councilmember Fimia moved an amendment to substitute for part 2 of the motion authorization of \$125,000 to restripe 15th Avenue NE to four lanes from NE 145th Street to NE 172nd Street. Councilmember Ransom seconded the motion.**

MEETING EXTENSION

At 11:15 p.m. Deputy Mayor Jepsen moved to extend the meeting to 11:30 p.m. Councilmember Grace seconded the motion, which carried unanimously.

Councilmember Fimia noted that utility undergrounding is driving most of the costs for this project. She emphasized the fact that 15th Avenue NE is a major north-south corridor with high traffic volumes, and the three-lane configuration is not working. She felt that Councilmembers should listen to what people are telling them rather than rely on further studies. She said the main reason for a three-lane configuration was to slow down traffic in the business district, so it only makes sense to open it back up to four lanes in the south. She felt the public would be very angry if Council takes action on only part of the corridor.

Mayor Hansen said a follow-up study indicated there has been no significant difference in traffic since it was striped to three lanes. He said the principal reason for three lanes was for safety, not to slow down traffic in the business district. The business district already has a lower speed limit than the rest of the corridor. He said speeds have reduced from 39.2 to 38.6 miles per hour, so it would not be a positive change to revert back to four lanes.

Councilmember Ransom said he is responding to the voters who have clearly articulated that they want to go back to a four-lane configuration. He said the City has not sufficiently convinced the voters that a three-lane configuration is better. He said as an elected representative, he is "staying with the voters."

A vote was taken on the amendment, which failed 3 – 4, with Councilmembers Chang, Fimia and Ransom voting in the affirmative.

A vote was taken on the motion to: 1) proceed with completing design and bidding of the North City Business District/15th Avenue NE project with design and bid documents and scope to be as depicted in Option 1 as presented to the City Council on November 15, 2004 and to authorize the City Manager to execute change contracts with KPG up to \$135,000 to provide design and bid services for this project; and 2) to direct staff to conduct at least two lane configuration traffic studies on 15th Avenue NE between 145th St. and 180th St. to include 1) hourly traffic counts and 2) counts on traffic diversions into adjacent neighborhoods and report its recommendations to the City Council at the March 14, 2005 regular meeting. It carried 4 – 3, with Councilmembers Chang, Fimia and Ransom dissenting.

Councilmember Ransom moved to reduce the speed limit to 30 miles per hour on 15th Avenue NE from 145th St. to 205th Street, excluding the business district. Councilmember Fimia seconded the motion.

Deputy Mayor Jepsen noted that this could be considered as a part of the master planning process after the traffic studies have been completed. He felt traffic speeds should be considered holistically throughout the entire City.

Mr. Burkett noted that the master plans include an entire section on arterial speeds and street classifications.

A vote was taken on the motion, which failed 3 – 4, with Councilmembers Chang, Fimia and Ransom voting in the affirmative.

9. ADJOURNMENT

At 11:25 p.m., Mayor Hansen declared the meeting adjourned.

Sharon Mattioli, City Clerk